

## Article - Education

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§26–602.

(a) Except as otherwise required by federal law or a court order, a student loan servicer may not:

(1) Employ, directly or indirectly, any scheme, device, or artifice to mislead a student loan borrower;

(2) Engage in any unfair, abusive, or deceptive trade practice toward any person;

(3) Misrepresent information or omit any material information in connection with the servicing of a student education loan, including:

(i) Any fee owed by a student loan borrower;

(ii) Any payment due by a student loan borrower;

(iii) The appropriateness or availability of a student loan borrower's repayment options;

(iv) The terms and conditions of the student education loan; and

(v) The student loan borrower's obligations under the student education loan;

(4) Obtain property by misrepresentation of fact or omission of material fact;

(5) On or after February 1, 2020, allocate a nonconforming payment in a manner other than as directed by the student loan borrower if, in writing or electronically, the student loan borrower:

(i) Makes a one-time direction for the allocation of future payments;

(ii) Directs an allocation of a payment at the time the payment is made;

(iii) Directs an allocation in response to an inquiry by the student loan servicer; or

(iv) Changes an existing direction for the allocation of future payments;

(6) Knowingly or recklessly misapply, or refuse to correct a misapplication of a payment from a student loan borrower;

(7) Knowingly or recklessly provide inaccurate information to a consumer reporting agency, or refuse to correct inaccurate information provided to a consumer reporting agency;

(8) If a student loan servicer regularly reports information to a consumer reporting agency, fail to report the favorable history of a student loan borrower to a nationally recognized consumer reporting agency at least once a year;

(9) Subject to subsection (b) of this section, refuse to communicate with an authorized representative of a student loan borrower who provides a written authorization signed by the student loan borrower;

(10) Negligently make a false statement or omit a material fact in connection with any information report filed with, or any investigation conducted by, a state or local government agency; or

(11) Violate any federal law concerning student education loan servicing.

(b) A student loan servicer may adopt procedures to verify that an authorized representative of a student loan borrower is, in fact, authorized to act on behalf of the student loan borrower.

(c) (1) A student loan servicer shall acknowledge receipt of a written inquiry or complaint from a student loan borrower or the authorized representative of a student loan borrower within 10 days after receiving the inquiry or complaint.

(2) Unless a response to the written inquiry is included in the acknowledgment required under paragraph (1) of this subsection, a student loan servicer shall provide information responding to a written inquiry or complaint received under paragraph (1) of this subsection within 30 days after receiving the inquiry or complaint.

(3) If a written inquiry or complaint received under paragraph (1) of this subsection relates to a student loan borrower's account balance, the information provided under paragraph (2) of this subsection shall:

(i) State that the student loan servicer has corrected the account balance; or

(ii) Explain why the student loan servicer believes that the student loan borrower's account is correct.

(d) If a student loan borrower requests a document concerning the account of the student loan borrower that is in the possession or control of a student loan servicer, the student loan servicer shall provide the document within 30 days after receiving the request.

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